Privatisation of Insurance Sector

4399. MISS SAROJ KHAPARDE:
SHRI JIBON ROY:
SHRI SANJAY DALMIA:
SHRI V. HANUMANTHA RAO:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have since taken any final decision regarding privatisation of the Insurance Sector; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir.

(b) Does not arise.

Benefits of liberalisation of rural economy

4400. SHRI SOM PAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news report published under the caption "Kurien lambasts Manmohanomics" in the Indian Express dated 14th December; 1994; and

(b) if so, what is the reaction of Government on various issues raised by Dr. Kurien in this regard, especially the issue of denying the benefits of liberalisation to rural economy of the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Indian Express has published a news item captioned 'Kurien Lambasts Manmohanomics" on 14 December, 1994. The Government does not agree with the views expressed in the report. The highest priority is being accorded to promoton of sustainable employment generating growth in its economic reform policies.

The Central Plan allocation for Rural Development, which encompasses the major programmes for poverty alleviation and employment generation was raised by 148 per cent from Rs. 3100 crore in 1992-93 (BE) to Rs. 7700 crore in 1995-96 (BE).

Investment by IDBI in ITC

4401. SHRI SARADA MOHANTY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that IDBI has a large financial investment in Indian Tobacco Company Ltd.; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) IDBI does not have a significant shareholding in ITC Ltd.

(b) In accordance with the practices and usages customary amongst banks and in conformity with provisions of statutes governing public sector banks and financial institutions as also the provisions of Public Financial Institutions (Obligation as to Fidelity and Secrecy) Act, 1983, the information relating to individual constituents cannot be divulged.

Commitee on Restructuring Regional Rural Banks

4402. DR. BIPLAB DASGUPTA: Will the Minister of FINANCE be pleased to state:

(a) what is the policy of Government as regards total restructuring of Regional Rural Banks;

(b) whether the Committee on Restructuring of Regional Rural Banks as appointed by Reserve Bank of India under the Chairmanship of Dr. M. C. Bhandari, Chief General Manager, National Bank for Agriculture and Rural Development, is going to be continued; and

(c) if not, which will be the Apex Level Authority to oversee the functions of Regional Rural Banks on the lines recommended by the above Committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) After considering a number of alternative models for restructuring of Regional Rural Banks (RRBs) including formation of a National Rural Bank of India (NRBI) by merging all RRBs or merging the RRBs with their sponsor banks it has been decided to revamp the RRBs by cleansing up of their balance sheets on a 'Stand Alone' basis. Announcement to this effect was made by Finance Minister in his Budget speech on 28-2-1994. In pursuance of this decision 49 RRBs out of total of 196 RRBs in the country have been taken up, on the basis of recommendations of the Committee set up by Reserve Bank of India (RBI) under the Chairmanship of Dr. M. C. Bhandari, Chief General Manager, National Bank for Agriculture and Rural Development (NABARD), for comprehensive restructuring during the year 1994-95. Additional capital to the extent of Rs 150 crores has been released by Government for these RRBs. Sponsor Banks and State Governments have been requested to give matching contributions of additional capital to these RRBs. The experience with these 49 RRBs will guide the approach in later years to the other RRBs. It is further proposed to take up 50 more RRBs for restructuring during the year 1995-96.

(b) The Committee set up by Reserve Bank of India (RBI) under the Chairmanship of Dr. M. C. Bhandari, Chief General Manager, NABARD, with certain terms of reference regarding proposed restructuring of RRBs, has complete its work and submitted its reports to RBI.

(c) The reports of the Bhandari Committee have been submitted to RBI. No proposal has been received by Government regarding establishing an Apex Level Authority to oversee the functions of RRBs, from the RBI so far. As at present NABARD is the nodal agency for monitoring the performance of RRBs.

Income tax on small businessmen

4403. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) what is the objective of increase in bureacratic control through Income Tax Act on millions of small businessmen and self-employed people;

(b) whether Income-tax Officers can freely enter residences under the PTS policy; and

(c) the steps proposed to review the PTS policy.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Procedure for payment of tax has been greatly simplified with the introducton of the presumptive tax scheme for small businessmen, self-employed etc. Under this scheme, the taxpayers need not visit the Income-tax Offices at all and can in general pay Rs. 1400/- as tax directly into specified banks by using a very simple statement-cum-challan. It is, therefore, not correct to say that there is any increase of bureacratic control on small businessmen and the self-employed.

(b) No, Sir

(c) There is no proposal at present to review the policy relating to the Presumptive Tax Scheme.